

The complaint

Mr B complains about the actions of Monzo Bank Ltd when he lost money to a scam.

Mr B is being represented by a claims management company but for ease I'll only refer to Mr B.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In the summer of 2023 Mr B was contacted by a representative of a merchant and offered some part-time work which involved completing tasks to earn a commission. Mr B was told that in order to earn higher levels of commission he would get certain tasks that cost more to purchase. Mr B then started sending money to the merchant via a genuine crypto currency exchange. In total he sent the following payments;

Date	Type of payment/Destination	Amount
06 August 2023	Faster Payment to crypto exchange	£1,000
08 August 2023	Faster Payment to crypto exchange	£10,000
09 August 2023	Faster Payment to crypto exchange	£10,000
10 August 2023	Faster Payment to crypto exchange	£1,600
12 August 2023	Faster Payment to crypto exchange	£8,000
13 August 2023	Faster Payment to crypto exchange	£10,000
14 August 2023	Faster Payment to crypto exchange	£10,000
15 August 2023	Faster Payment to crypto exchange	£10,000
17 August 2023	Faster Payment to crypto exchange	£8,000
20 August 2023	Faster Payment to crypto exchange	£10,000
21 August 2023	Faster Payment to crypto exchange	£7,500
22 August 2023	Faster Payment to crypto exchange	£9,000
23 August 2023	Faster Payment to crypto exchange	£5,000
23 August 2023	Faster Payment to crypto	£5,000

	exchange	
	Total Loss	£105,100

Mr B said that after repeatedly being asked for fees so that he could make withdrawals he realised he had been scammed. Mr B made a complaint to Monzo but didn't receive a response, so he brought his complaint to the Financial Ombudsman Service.

Initially Mr B said that his complaint was in relation to an investment scam that involved investing in a genuine crypto exchange. The investigator didn't think this should be upheld as he wasn't satisfied a scam had occurred.

Mr B said he didn't agree with the investigator and that he had actually been the victim of a job scam and provided evidence to support that.

The investigator said that the complaint should be upheld. He said that he was satisfied that Mr B had been the victim of a job scam and that Monzo should've done more to intervene here. And if it had he was satisfied that Monzo would've more than likely discovered the scam. So, he said that Monzo should refund the payments from the second payment with a 50% reduction because Mr B contributed to his losses here. The investigator added that Monzo should pay Mr B £100 for the distress and inconvenience it caused when it didn't provide him with a response to his complaint.

Mr B agreed with the investigator's opinion.

But Monzo disagreed and asked for an Ombudsman's review. It said that the original complaint Mr B made was inaccurate and had changed substantially which it considered suspicious. It said that Mr B appeared to have completed very little due diligence here so it didn't think it should refund the payments.

I was allocated the complaint and said that I wasn't minded to uphold it. I said that after reviewing the full file, it was clear that Mr B was the victim of a job scam. I said that Monzo did intervene via the in-app chat on one of the payments here and asked Mr B why he was making it. But Mr B didn't provide an accurate response to Monzo's questions. I said that Mr B also provided an inaccurate answer when he asked Monzo if it would increase his payment size limit. I said that from the chats that I had seen, Mr B was clearly being coached on what to say to Monzo. So, even though I agreed with the investigator that the second payment should've been stopped, I didn't think it was likely the scam would've been uncovered by Monzo – instead Mr B would've continued to be coached by the scammer on what to say so that the payment would've been sent.

Mr B disagreed with my initial assessment of the complaint. He said that Monzo had failed to provide a fair intervention in line with the various regulatory and best practice guides. He said Monzo's intervention was basic and if it had called him, it would've easily uncovered the scam because he was having doubts - which Monzo would've picked up on.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It is common ground that Mr B authorised the scam payments of around £105,000. I accept that these were authorised payments even though Mr B was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr B is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Monzo to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

Monzo's first obligation is to follow the instructions that Mr B provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Monzo to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Monzo to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Monzo to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

I agree with the investigator that Monzo should've stopped the second payment to the genuine crypto exchange here. But that's not the end of the matter. Causation is a critical determinative factor in every scam case. It isn't enough that Monzo failed to sufficiently intervene; its acts or omissions must be the immediate and effective cause of losses that were reasonably foreseeable at the time of the breach. I can't know for certain what would have happened if Monzo had questioned Mr B further when it first intervened. In such situations, I reach my conclusions on the balance of probabilities.

So, I need to decide on balance whether Monzo stopping that payment, and asking Mr B some probing questions about why he was making it, would've made a difference here. Having done so, I'm not satisfied it would've.

When deciding whether that intervention on that payment would've more than likely been successful, I need to consider what questions Monzo would've likely asked and the responses that Mr B would've likely provided.

From the evidence I've seen, I can see that Monzo did stop one of the payments for £8,000 on 17 August and it asked Mr B why he was making it. Mr B said that it was a payment to a trusted friend so he can make some purchases for him. Mr B confirmed the person receiving the money was a good friend and a business partner.

I can see from the chat messages that have been provided from Mr B that he was being coached on what to say to Monzo about the payment to the crypto exchange. So, I need to decide if any further intervention by Monzo would've made a difference here. Having read the messages between Mr B and the scammer, I don't think I can reasonably say that Monzo would've uncovered the scam.

I accept that the payments were going to crypto and Monzo should've asked more probing questions about the payments Mr B was making and the reasons for the payment being for a business. But given what's in the chats, I'm satisfied that Mr B would've said whatever he

was told by the scammers. So, the chances of Monzo being able to uncover - on balance - that this money was being sent to a crypto exchange for a job opportunity was unlikely.

From the messages I've seen, the scammer was coaching Mr B every step of the way during this scam. He told Mr B to lie to Monzo when they requested a limit increase on 08 August 2023, and he was coached on what to say on 17 August 2023. Mr B was having numerous doubts about this job scam as early as 04 August 2023 where he asked for his money to be put back into his bank, but he was happy to go along with the lies provided by the scammer to Monzo. Later in the chats Mr B again raised concerns and asked to talk to the scammer because he felt there was a theft going on and he said he would go to the police.

Despite saying that, he continued to send money to the scammers (around £36,500). I understand that Mr B, like other people who are the victims of scams, are desperate for their money to be returned, but I don't think it was reasonable for him to continue to follow what the scammer was telling him. There's a clear level of coaching on the chat which I think shows that he was under the spell of the scammer and was willing to say anything the scammer told him to Monzo so that the payment/s would be sent.

Mr B says that a call from Monzo would've made him pause and act on his doubts at the time. But I don't agree. Even if Monzo had asked for a call with Mr B on the second payment here I think he would've most likely told the scammer that he was going to speak to Monzo (there were several references in the chats where the scammer was expecting a call from Monzo) and he would've been coached on what to say to the bank in order for the payment to be sent and avoid detection. So, although I think Monzo could've done more here, I don't think this would've made a difference. Although Monzo is expected to intervene on suspicious payments and ask probing questions, there's evidence of coaching from a scammer and Mr B going along with that. As a result, it would've been difficult for Monzo to uncover and stop this scam.

And I don't think this is a case where I think there was anything substantive enough to mean that Monzo would have been justified in refusing Mr B's payment instruction altogether and going against his wishes.

Recovery

I've considered whether Monzo acted reasonably when it was made aware of the scam. Having done so, I'm satisfied Monzo didn't treat Mr B unfairly by not attempting to retrieve his money from the crypto exchange because Mr B has confirmed this was sent on to the scammers as per their instructions. Nor were there any other avenues that Monzo could've been successful in retrieving Mr B funds here.

The investigator awarded Mr B with £100 for the distress and inconvenience Monzo caused with the handling of his complaint and lack of response. It's clear from the communication between Monzo and Mr B that Monzo hadn't mentioned any issues with investigating his complaint but no response was provided. As a result, I think the £100 award by the investigator was reasonable in the circumstances.

I appreciate this will come as a disappointment to Mr B, and I'm sorry to hear that he has been the victim of a cruel scam. As a result, I'm not persuaded that Monzo can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I uphold the complaint in part. Monzo Bank Ltd should pay Mr B £100 for the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 21 April 2025.

Mark Dobson
Ombudsman